

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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-  
SECURITIES AND EXCHANGE COMMISSION :  
 : Case No: 07-CV-11387 (DLC)  
Plaintiff, :  
 :  
v. : DECLARATION OF WAYNE E.  
 : WEW IN SUPPORT OF HIS  
BRIAN N. LINES, et al., : MOTION FOR SUMMARY  
 : JUDGMENT  
Defendants. :  
 :  
----- X  
-

WAYNE E. WEW, declares under penalty of perjury:

1. I am a citizen of Canada and I have been sued in this action under my former name, Wayne E. Wile. I legally changed my name from Wayne Eldridge Wile to Wayne Eldridge Wew in Canada on January 12, 2005. I submit this declaration in support of my motion for summary judgment on all of the claims asserted against me by plaintiff, The Securities and Exchange Commission ("SEC").

2. I am a citizen of Canada and a legal resident of Switzerland.

3. Attached to this declaration as Exhibit A are excerpts from the transcript of the deposition that I gave in this action on January 19, 2010.

4. Attached to this declaration as Exhibit B are copies of order tickets that I obtained from Canacord Capital Corp., my broker, in 2003. These tickets reflect all of the trades that I placed in Sedona Software Solutions, Inc., trading under the symbol SSSI. Those trades were placed through a company that I own called Industrias Balmes. I have owned Industrias Balmes and used it for day trading since approximately 2001.

5. Attached to this declaration as Exhibit C is a signed statement that I obtained from my broker at Canacord Capital Corp., Ron Warrington.

6. As I explained at my deposition in this litigation, I am a day trader and I have been a day trader since the mid-1980s. My trading technique is one that is sometimes referred to as “streaming.” I watch the stream of orders for a particular security throughout the day and based on my experience and knowledge of trading patterns, I buy that security at the point where I think it is near its low price for the day and I sell it when I think it is at or near its high price for the day. When I am “streaming” a stock I do not intend to hold on to that stock past the end of the trading day. Therefore, the long term investment potential of that stock is not of particular interest to me. I am interested in the ebb and flow of the price of the stock during the course of the trading day. Stocks that experience substantial price variations during a single day – which is often the case with initial offerings – present trading opportunities for me.

7. I purchased SSSI on January 21, 2003, because it was a new issue from a junior mining company. While I have traded the securities of companies in many different industries over the years, in 2003, when the price of gold began to recover, junior mining companies were of interest to me. Of course, I had heard about SSSI from my nephew, Anthony Wile, and I was familiar with some of the Central American mining assets that SSSI intended to acquire from previous investment experiences, but that knowledge was not relevant to my decision to buy SSSI on January 21. I was not looking for a long term investment. I was only interested in day trading SSSI.

8. Between pages 76 and 107 of my deposition I explain how and why I placed an order for SSSI on the morning of January 21, 2003.

9. The next day, January 22, I did the same thing that I did on January 21. At the start of the trading day I thought that I saw an opportunity to make money in a day trade on SSSI and placed a bid for 2000 shares of SSSI at \$9.10. A couple of hours later I also placed a bid for 2000 shares of SSSI at \$8.25. The second order was not filled. I placed an order to sell SSSI at \$9.35, but that order was not filled on January 22 and I ended the day with the stock still in my account. On January 23, I tried to sell the stock for \$9.75. I lowered my price throughout the day and eventually sold out my position at \$9.30. At that point I decided that SSSI was no longer suitable for my trading style and I stopped following the stock.

10. I never knew and had no control over the market maker to which my orders for SSSI were routed, how those orders would be filled, or who would be on the other side of those trades. I never know that information about any trade that I ever do. I rely on my brokers to execute the trades as efficiently as possible.

11. There was nothing unusual about the trades that I made on January 21, 2003, and nothing unusual about the type of trading I did that day, that week, or that month. As the SEC knows – since it has subpoenaed my trading records from every account that I can remember – I am a day trader and buy many stocks every day and sell those same stocks on the day I buy them or the day after.

12. At my deposition the SEC claimed that my nephew Anthony tried to call me nine times on January 21, 2003. I have seen no evidence of this, but it would not surprise me if he did so. On days when my nephew was particularly excited about something he called me many times a day. He still does so today. I do not recall any particular conversation with my nephew on January 21, although I do recall speaking to him in the morning, when he told me how excited he was about taking Renaissance public.

13. I am absolutely certain that I never discussed with my nephew Anthony Wile my decision to purchase SSSI or the prices at which I would bid for or offer to sell SSSI. I can recall only one conversation with my nephew in which he asked me if I intended to invest in his new project. That conversation took place days before January 21, 2003, and I specifically recall telling him that I would NOT buy the stock (I do not recall if we referred to the stock in that conversation as "Renaissance" or "Sedona" or "SSSI").

14. I never spoke to or communicated with Brian Lines, Scott Lines, or any employee of the LOM companies about Renaissance, Sedona, or SSSI.

15. I never participated in nor was I aware of any effort by anyone to "manipulate" the price of SSSI.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed: January 25, 2010

  
WAYNE E. WEW

# **EXHIBIT A**

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,  
Plaintiff,

vs.

Case No. 07 cv 11387(DLC)

BRIAN N. LINES; SCOTT G.S. LINES;  
LOM (HOLDINGS) LTD.; LINES OVERSEAS  
MANAGEMENT LTD.; LOM CAPITAL LTD.;  
LOM SECURITIES (BERMUDA) LTD.; LOM  
SECURITIES (CAYMAN) LTD.; LOM  
SECURITIES (BAHAMAS) LTD.; ANTHONY  
W. WILE; WAYNE E. WILE; ROBERT J.  
CHAPMAN; WILLIAM TODD PEEVER;  
PHILLIP JAMES CURTIS; AND RYAN G.  
LEEDS,

Defendants.

~~~~~

VIDEOTAPED DEPOSITION OF

WAYNE ELDRIDGE WEW

January 19, 2010

10:03 a.m.

555 West Beech Street  
Suite 111  
San Diego, California

Debby M. Gladish, RPR, CLR, CSR

CSR No. 9803

APPEARANCES OF COUNSEL

For the Plaintiff:

U.S. SECURITIES AND EXCHANGE COMMISSION  
JUSTIN CHRETIEN, ESQ.  
100 F Street, N.E.  
Washington, DC 20549-4010  
202.551.4953  
202.772.9245 Fax  
chretienj@sec.gov

For the Witness:

SATTERLEE STEPHENS BURKE & BURKE LLP  
MARIO AIETA, ESQ.  
230 Park Avenue  
New York, New York 10169  
212.818.9200  
212.818.9606 Fax  
maieta@ssbb.com

For the Defendant Scott Lines:

K&L GATES LLP  
STEPHEN J. CRIMMINS, ESQ.  
599 Lexington Avenue  
New York, New York 10022  
212.536.3987  
212.536.3900 Fax  
stephen.crimmins@klgates.com

For the Defendnat LOM:

KELLOGG, HUBER, HANSEN, TODD, EVANS & FIGEL, P.L.L.C.  
DEREK T. HO, ESQ.  
1615 M Street, N.W.  
Suite 400  
Washington, D.C. 20036  
202.326.7931  
202.326.7999 Fax  
dho@khhte.com

APPEARANCES OF COUNSEL (Continued)

For Defendant Brian Lines:

PATTON BOGGS LLP  
PHILIP M. SMITH, ESQ.  
1185 Avenue of the Americas  
30th Floor  
New York, New York 10036  
626.557.5145  
626.557.5101 Fax  
(TELEPHONIC APPEARANCE)

For Defendant Anthony Wile:

AKERMAN SENTERFITT  
LEONARD H. BLOOM, ESQ.  
One Southeast Third Avenue  
25th Floor  
Miami, Florida 33131-1714  
305.374.5600  
305.374.5095 Fax  
(TELEPHONIC APPEARANCE)

Also Present:

DANA BACHMANN, Videographer



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(None)

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(Original exhibits attached to original  
transcript.)

1 SAN DIEGO, CALIFORNIA

2 January 19, 2010; 10:03 A.M.

3  
4 THE VIDEOGRAPHER: Good morning. This is Tape  
5 No. 1 to the videotaped deposition of Wayne Eldridge  
6 Wew in the matter of the Securities and Exchange  
7 Commission vs. Brian Lines, et al., being heard before  
8 the U.S. District Court, Southern District of New York.

9 This deposition is taking place at 555 West  
10 Beech Street, Suite 111, San Diego, California 92101.  
11 Today's date is January 19th, 2010, at approximately  
12 10:03 a.m.

13 My name is Dana Bachmann. I'm the  
14 videographer with Esquire. Our court reporter today is  
15 Debby Gladish.

16 Counsel, will you please introduce yourselves  
17 and state your affiliations for the record.

18 MR. CHRETIEN: Justin Chretien for SEC,  
19 Plaintiff.

20 MR. CRIMMINS: Steve Crimmins from K&L Gates,  
21 LLP, representing Scott Lines.

22 MR. HO: Derek Ho from Kellogg, Huber, Hansen,  
23 Todd, Evans & Figel representing LOM Holdings Ltd.,  
24 Lines Overseas Management Ltd., LOM Capital Ltd., LOM  
25 Securities Bermuda Ltd., LOM Securities Cayman Ltd.,

1 three-year period, whatever you mentioned earlier.

2 Q. Did your FCSI give you those trading rights,  
3 allow you to trade in Canada?

4 A. No, it has -- it has nothing to do with  
5 trading in Canada. It's an -- it's an educational  
6 level. You're allowed to trade in -- like any  
7 individual is allowed to trade securities in Canada  
8 unless, of course, you're barred.

9 Q. Okay. Once you obtained the FCSI, where were  
10 you employed?

11 A. I was employed in Canada.

12 Q. For what -- for an institution or what?

13 A. Brokerage firm.

14 Q. What brokerage?

15 A. Midland Duwardy.

16 Q. What time period?

17 A. Late '60s through the mid-'80s.

18 Q. You were a broker for them?

19 A. Yes.

20 Q. Where did you go after you left Midland  
21 Duwardy?

22 A. I just went on my own, became a consultant.

23 Q. Have you been a consultant since then?

24 A. Yes.

25 Q. Well, I'm a little bit confused. I understand

1 you obtained your FCSI as a result of study and passing  
2 courses, I -- I take it. Do you have a certificate in  
3 Canada to be a broker?

4 A. Now? No.

5 Q. How about then?

6 A. Yes. You have a license.

7 Q. Okay.

8 A. It's called a license in Canada.

9 Q. And your license was revoked two to three  
10 years based on the civil proceeding; is that correct?

11 A. No, it was not. No, there wasn't any revoking  
12 of my license. I had quit the brokerage business. I  
13 wasn't involved in the brokerage business when I --  
14 when this trading ban was instigated.

15 Q. Okay. What kind of consulting do you do?

16 A. I -- actually, it's a terminology. I don't  
17 consult for anyone. I'm a -- I'm a day trader for my  
18 own account.

19 Q. Which account are you referring to?

20 A. Me, Wayne Wile, Wayne Wew.

21 Q. Are all of your trading accounts now under the  
22 name Wew or are some still under Wile?

23 A. Some still -- I don't know whether there are  
24 any under Wile. I really don't. I don't believe so.

25 Q. In January 2003 were you a day trader?

1 A. Yes.

2 Q. Is that -- was that a rented office or a  
3 leased?

4 A. Yes.

5 Q. Do you still have it rented?

6 A. Yes.

7 (Defendants' Exhibit No. 281 was marked.)

8 MR. CHRETIEN: Exhibit 381.

9 THE REPORTER: 281, Counsel.

10 MR. CHRETIEN: 281. I'm sorry.

11 BY MR. CHRETIEN:

12 Q. This is another group exhibit -- I take  
13 Mr. Ho's exception to the use of group exhibits --  
14 beginning with SEC Bates number 22956, ending with  
15 22611.

16 Do you recognize the document, Mr. Wew?

17 A. Yes.

18 Q. It's an account statement for the W.E.W.  
19 Consultores Lehman Brothers account; is that correct?

20 A. That's correct.

21 Q. For the month of January 2003; correct?

22 A. Correct.

23 Q. W.E.W. Consultores also had an account, a  
24 trading account at LOM Securities Cayman; correct?

25 A. That's correct.

1 (Defendants' Exhibit No. 282 was marked.)

2 BY MR. CHRETIEN:

3 Q. Let me show you 282, I believe.

4 A. Thank you.

5 Q. Have you had a chance to review the document?

6 A. Yes.

7 Q. And that is -- what is that document?

8 A. It's a portion of a client account statement.

9 Q. And do you recognize it as the account  
10 statement for the account in the name of W.E.W.  
11 Consultores?

12 A. Yes.

13 MR. CRIMMINS: Objection.

14 BY MR. CHRETIEN:

15 Q. Your account representative was Andrew  
16 Golding?

17 A. That is correct.

18 Q. Have you spoken to him in person on the phone  
19 at any time?

20 A. Yes.

21 Q. In January 2003, do you remember if you spoke  
22 with Mr. Golding?

23 A. No, I do not recall.

24 Q. Would it have been -- how often did you speak  
25 to him on an annual basis? Let's take the time frame

1 around January 2003.

2 A. If I were living in Cayman at the time, which  
3 I believe I was, I probably spoke to him several times  
4 a week.

5 Q. Would you have spoken to him with respect to  
6 the purchase of shares through Industria Bomez?

7 MR. AIETA: Objection.

8 MR. HO: Objection.

9 THE WITNESS: No.

10 MR. AIETA: Got to give us time to object.

11 THE WITNESS: Oh, okay. Sorry. I still have  
12 to answer?

13 MR. AIETA: You do, yes.

14 BY MR. CHRETIEN:

15 Q. The Canaccord account through which Industria  
16 Bomez traded, who is the account representative for  
17 Canaccord?

18 A. Ron Warrington.

19 Q. Did you speak to him on a regular basis?

20 A. Yes.

21 Q. Now, I'm talking back in January of 2003.

22 A. Yes.

23 Q. Would you have spoken to Ron before making the  
24 purchase through Industria Bomez?

25 MR. AIETA: Objection.



1 Q. I think it was a previous exhibit.

2 A. Oh, okay. Yes, Jimenez.

3 Q. Would he have worked out in -- of that office?

4 A. At that particular time, I'm not sure because  
5 the employees came and went in this corporation, not  
6 this corporation, but in the business office itself.

7 Q. Okay. Did that business office house other  
8 businesses other than Transatlantic Co. and W.E.W.  
9 Consultores?

10 A. Definitely, yes.

11 Q. So there were a number of office -- number of  
12 businesses operating out of the same address?

13 A. That is correct.

14 Q. Okay. And the purpose of those two companies  
15 was for trading?

16 A. Yes.

17 Q. Anybody else trade through those two  
18 companies?

19 A. No.

20 Q. So on January 21st, 2003, you purchased Sedona  
21 stock through the Industria Bomez account; correct?

22 A. Yes.

23 MR. HO: Objection.

24 BY MR. CHRETIEN:

25 Q. By the way, have you talked to Tony Wile in

1 the last month?

2 A. Yes.

3 Q. Since his deposition?

4 A. Yes.

5 Q. What did he say to you?

6 A. What did he say to me? We -- we speak quite  
7 often on personal -- personal things. I mean, we have  
8 had many conversations.

9 Q. What did he say about his deposition?

10 A. Said he thought it went very well.

11 Q. What did he say about your upcoming deposition  
12 today?

13 A. Said it should go very well.

14 Q. Where does he reside?

15 A. He resides in -- I'm not quite sure whether  
16 his actual residence is in Canada or in Switzerland at  
17 this particular point, one or the other.

18 Q. Does he have a residence in Switzerland?

19 A. You mean does he have a home in Switzerland?

20 Q. Yes.

21 A. I'm not -- I don't think so at this point, no.

22 Q. Would he stay with you when he'd --

23 A. No, no. He rents a -- he rents -- the last  
24 time he was here, he rented a home.

25 Q. Okay. Your cell phone number, do you have a

1 A. No.

2 MR. AIETA: Objection.

3 MR. CRIMMINS: Objection.

4 MR. BLOOM: Objection.

5 BY MR. CHRETIEN:

6 Q. What is your recollection of the phone calls  
7 made between you and Tony in the weeks leading up to  
8 the January 21st transaction?

9 MR. BLOOM: Objection; time frame.

10 BY MR. CHRETIEN:

11 Q. In the two weeks from January 8th to  
12 January 21.

13 A. There were numerous calls.

14 Q. What was the subject of the calls?

15 A. Could have been anything.

16 Q. Including Sedona?

17 A. Could have been, yes.

18 Q. How did you hear about Sedona?

19 A. From my nephew.

20 Q. From Tony?

21 A. I heard about Renaissance from Tony.

22 Q. What did he tell you about Renaissance?

23 A. He told me what he -- that he was in a -- in a  
24 situation whereby he was acquiring assets and he called  
25 the company Renaissance.

1 Q. Did he ask you to invest in it?

2 A. No. He -- he told me about the properties.

3 Q. He suggested -- well, what did he tell you  
4 about the properties?

5 A. Just told me what they were doing, what  
6 they -- how they were -- they were acquiring them and  
7 they were gold properties that had been in production  
8 and he thought they had a great opportunity, a great  
9 future.

10 Q. Did he send you press releases?

11 A. Not that I'm aware of, no.

12 Q. Is that the basis upon which you purchased the  
13 5,000 shares?

14 MR. AIETA: Objection.

15 MR. HO: Objection.

16 BY MR. CHRETIEN:

17 Q. Go ahead.

18 A. I purchased the shares for a day trade,  
19 nothing -- nothing more or less.

20 Q. But your knowledge came originally from Tony?

21 MR. AIETA: Objection.

22 BY MR. CHRETIEN:

23 Q. Correct?

24 A. Regarding Renaissance?

25 Q. Yes, sir.

1 A. Yes.

2 Q. Did you do any investigation regarding  
3 Renaissance?

4 A. No.

5 Q. How did you come upon a price per share of  
6 \$8.25?

7 A. The market -- the market was opening at \$8 bid  
8 offered at 9 or -- as I recall, there was a market bid  
9 ask. At the time I placed my order, I simply topped  
10 the bid.

11 Q. What was your understanding at the time of  
12 Tony's role in Renaissance?

13 A. My understanding was that he was putting  
14 together a portfolio of gold mining properties into  
15 Renaissance.

16 Q. Was it your understanding that he owned --  
17 that Renaissance owned the properties or were in the  
18 process of acquiring the properties?

19 A. They were in the process of acquiring them.  
20 They had an option to acquire.

21 Q. What did Tony tell you about the share price  
22 or what he expected of the share price?

23 A. He told me they expected the share price, when  
24 it went public, to be in the 8 to \$10 range.

25 Q. You put in your bid at 9.25, I believe?

1 A. I'm not sure. It's in the record.

2 Q. But it was before the market opened?

3 A. According to the record, yes.

4 Q. Why would you do that?

5 A. The bid was called. I wanted to be first in  
6 line. I over- -- I topped the previous bid, so if  
7 there was any stock being sold, I would be first in  
8 line to buy it.

9 Q. Tony talked to you that morning, though;  
10 correct?

11 A. He did.

12 MR. AIETA: Objection.

13 BY MR. CHRETIEN:

14 Q. Was it about the Sedona transaction?

15 A. I don't recall what it was specifically, but  
16 he would have been very exuberant about the fact that  
17 his assets were going public on that day. I don't know  
18 what -- the exact things that he would have said to me.

19 Q. Your purchase followed, according to my  
20 records, a phone call from Tony just a few minutes  
21 before. Do you recall that?

22 A. I recall him calling me in the --

23 MR. BLOOM: I'm sorry. I couldn't hear the  
24 question.

25 MR. CHRETIEN: Could you read the question

1 again?

2 (Record read.)

3 THE WITNESS: I recall him calling me before I  
4 put the order in, yes.

5 BY MR. CHRETIEN:

6 Q. Okay. And what was the substance of that  
7 call?

8 A. Again, exuberance -- sorry. Exuberance about  
9 the company going public and opening day and very  
10 exuberant.

11 Q. What was your assessment of Sedona as an  
12 investment opportunity as of the time you invested?

13 A. I had no knowledge of what it was -- what --  
14 the criteria of investment was in Sedona. I simply  
15 made a trade. A new issue coming out, I made a trade,  
16 a day trade.

17 Q. The only information you had, though, was from  
18 Tony; correct?

19 A. That's correct.

20 Q. You thought it was a sound investment?

21 A. I didn't say a sound investment. I said it  
22 was a trading opportunity, which is what I do. I  
23 didn't buy the stock for a sound investment. I bought  
24 it for a trade.

25 Q. And you ended up selling -- selling all your

1 shares the same day; correct?

2 A. All of my shares -- I bought 5,000 shares and  
3 I sold 5,000 shares, yes.

4 Q. How much did you make from the trade?

5 A. I think roughly \$5,000.

6 Q. Did you have any conversations with Ian Park  
7 in the month prior to the purchase on January 21?

8 A. I don't believe so.

9 Q. As of January 2003, January 21, did you know  
10 Brian Lines?

11 A. Yes.

12 Q. Had spoken to him on several occasions?

13 MR. AIETA: Objection.

14 BY MR. CHRETIEN:

15 Q. Is that correct?

16 A. That's correct.

17 MR. BLOOM: Objection.

18 BY MR. CHRETIEN:

19 Q. When was the last time you spoke to Brian  
20 Lines prior to January 21?

21 A. A couple years earlier.

22 Q. In what context?

23 A. I was in Bermuda.

24 Q. How did you know Brian Lines?

25 A. I was introduced to him in Bermuda.



1 Q. How about Scott Lines?

2 A. Same time.

3 MR. HO: Objection to the last question.

4 BY MR. CHRETIEN:

5 Q. Did you have any conversation with Scott Lines  
6 in the month prior --

7 A. No.

8 Q. -- to the purchase?

9 A. No.

10 MR. AIETA: Wait for the question to be  
11 completed.

12 THE WITNESS: Well, yeah.

13 BY MR. CHRETIEN:

14 Q. Did you have any conversations with anybody at  
15 any of the LOM brokerages in the month prior to the  
16 January 21, 2003, purchase.

17 MR. AIETA: Objection.

18 THE WITNESS: Not to my knowledge.

19 BY MR. CHRETIEN:

20 Q. Who else would you have talked to, if there  
21 was such a person, in that month prior?

22 MR. AIETA: Objection.

23 MR. HO: Objection.

24 MR. BLOOM: Objection.

25 THE WITNESS: There wouldn't have been any

1 person I would have spoken to.

2 BY MR. CHRETIEN:

3 Q. Who else do you know at -- as of January 2003,  
4 who else did you know on a name-by-name basis at LOM?

5 A. The only person I knew on a name-by-name basis  
6 is Andrew Golding.

7 Q. When did you first meet Andrew?

8 A. When I first went to Cayman a few years  
9 earlier.

10 Q. Did you speak to Andrew in the month prior to  
11 the January 21 purchase?

12 MR. CRIMMINS: Objection.

13 THE WITNESS: Quite possibly, yes.

14 BY MR. CHRETIEN:

15 Q. Would you have spoken to him about the --  
16 about Sedona?

17 A. No.

18 MR. AIETA: Objection.

19 BY MR. CHRETIEN:

20 Q. You expected the price of the stock to rise  
21 obviously, because you wouldn't have bought it  
22 otherwise; correct?

23 A. That's right.

24 Q. Why did you think the stock was going to rise?

25 A. My trading experience indicates to me that day

1 one on a new issue, they usually rise, so I usually buy  
2 new issues on day one and trade them out.

3 Q. What did Tony say about his title or position  
4 at -- at Renaissance?

5 A. I don't think he ever discussed it with me. I  
6 don't know what his position was.

7 Q. What is your understanding today, as you sit  
8 here, of Tony's role in putting together the deal?

9 A. I think that's -- that's the role that he had,  
10 putting together the deal, securing the assets, lining  
11 up the financing that was required to take the company  
12 public.

13 Q. Have you since had an opportunity to review  
14 the press releases issued in the two weeks prior to the  
15 January 21 purchase?

16 A. I probably saw them at some time, but not  
17 recently.

18 Q. Is there anything significant in those press  
19 releases to you?

20 A. Not that I noticed.

21 MR. HO: Objection to the last question.

22 BY MR. CHRETIEN:

23 Q. What made you sell at the time you did?

24 A. Day trade, simply a thing to do. I was making  
25 money on my trade and I took it.

1 Q. Why did you use Industria Bomez to buy the  
2 shares instead of an account under your own name?

3 MR. AIETA: Objection.

4 THE WITNESS: It was the account that I had at  
5 Canaccord.

6 BY MR. CHRETIEN:

7 Q. Why did you have to use a Canaccord account?

8 MR. AIETA: Objection.

9 THE WITNESS: It's where I do my -- the bulk  
10 of my business is done through Canaccord.

11 BY MR. CHRETIEN:

12 Q. Through Industria Bomez?

13 A. Yes, uh-huh.

14 Q. Why not have an account under your own name?

15 MR. AIETA: Objection.

16 THE WITNESS: No need. I already had an  
17 account.

18 BY MR. CHRETIEN:

19 Q. Okay.

20 A. I'd like you to -- would you ask that question  
21 again?

22 MR. CHRETIEN: I'll have the court reporter  
23 ask it again.

24 (Record read.)

25 THE WITNESS: I'd like to speak to that.

1 BY MR. CHRETIEN:

2 Q. Sure.

3 A. The reason I trade through corporations is to  
4 keep my name off of what we call sucker lists. When --  
5 when people find out -- promoters, what have you --  
6 that you trade in this type of stock, they begin to  
7 hound you and send you promotional materials and try to  
8 get you to buy their product. I didn't want that in my  
9 life, so I traded through these accounts.

10 Q. Did Tony mention to you the press releases  
11 that were being issued in the weeks preceding the  
12 January 21 purchase?

13 A. He may have. He may have. I don't recall.

14 Q. Did he indicate his role in drafting them?

15 A. No, he did not.

16 Q. From what you're saying, it seems that the  
17 primary reason you bought Sedona shares was based on  
18 the information you received over the telephone from  
19 Tony; is that fair?

20 MR. AIETA: Objection.

21 MR. HO: Objection.

22 BY MR. CHRETIEN:

23 Q. As opposed to reading about it or --

24 A. That's fair.

25 Q. -- reading press releases?

1 A. That's fair.

2 Q. Okay. When you purchased the shares, what was  
3 your understanding as to where the shares would be  
4 coming from?

5 A. I had no understanding of where the shares  
6 were coming from.

7 Q. Since that time have you come to an  
8 understanding?

9 A. I read the material and -- and supposedly no  
10 one else knows where they came from, that the bulk of  
11 the shares were -- were sold from someplace. I don't  
12 know.

13 Q. Mr. Jimenez, does he work for you with respect  
14 to any other companies for which you were the  
15 beneficial owner?

16 A. I don't think so.

17 Q. How about Julio Flores, who's that?

18 A. He's another nominee for one of my accounts.

19 Q. What account is that?

20 A. I don't know.

21 Q. That's not one of the ones we discussed?

22 A. No.

23 Q. How about Pilar Pikado [ph]?

24 A. I know her.

25 Q. Nominee?

1 questions just by way of follow up for you.

2 As I indicated earlier, my client is Scott  
3 Lines.

4 A. Yes.

5 Q. Did you at any time ever talk about Sedona  
6 with Brian Lines?

7 A. No.

8 Q. Did you ever talk about Renaissance with Brian  
9 Lines?

10 A. No.

11 Q. Did you ever, ever talk with Scott Lines about  
12 either Sedona or Renaissance?

13 A. No.

14 Q. You indicated earlier that your LOM broker  
15 where you had an LOM account was an individual named  
16 Andrew Golding?

17 A. That's correct.

18 Q. Am I right that your LOM account was not in  
19 Bermuda where LOM is headquartered, but, rather, at  
20 their branch in Cayman?

21 A. That is correct.

22 Q. Now, your personal LOM account representative,  
23 Andrew Golding, is he based in Cayman?

24 A. Yes, he is.

25 Q. He lives in Cayman and works in Cayman?

1 A. Yes.

2 Q. And when you deal with him, to your  
3 knowledge, he's in Cayman?

4 A. Yes.

5 Q. So he's not at the LOM headquarters in  
6 Bermuda?

7 A. No.

8 Q. Did you ever discuss Sedona or Renaissance  
9 with Andrew Golding, your account representative?

10 A. Not to my knowledge.

11 Q. Did you ever discuss Sedona or Renaissance  
12 with anyone at LOM?

13 A. No.

14 Q. Now, you've indicated a little earlier in  
15 terms of describing what you do for a living that  
16 you're a day trader and that's a common expression, but  
17 so we have a clear record for the jury and the court,  
18 can you just explain briefly what a day trader is just  
19 in kind of ordinary language?

20 A. The terminology is streaming and the  
21 terminology is momentum. I'm a momentum trader, a  
22 streamer and a streaming -- a streamer looks at all  
23 trades that take place on a specific stock continually  
24 day after day and when you do that you can figure out a  
25 pattern of what the stock does at certain times of the



1 day. And if the stock is volatile enough you have the  
2 opportunity to buy and to sell on the same day and take  
3 the profit and if you're incorrect you have the ability  
4 to sell it on the day and take your loss.

5 That's what a day trader does. It's not a  
6 long-term investment. You don't have to look at the  
7 principals of why -- or the investment criteria of the  
8 corporation. You're simply trading it on a streaming  
9 basis or a momentum basis.

10 Q. I think it's really obvious your answer, but  
11 just so we're sure it's crystal clear, how do you make  
12 money doing that?

13 A. How do you make money doing that? You buy  
14 it -- you buy it and sell it at a higher price or you  
15 sell it short of that at a price and buy it cheaper,  
16 either way. You take the spread.

17 Q. Okay. Right. Now, counsel earlier asked you  
18 about why you bought Sedona on January 21st, 2003. You  
19 indicated something about it being a new issue. Could  
20 you explain for us what that means?

21 A. Well, a new issue is the first time a company  
22 starts to trade and in my profession I've noticed that  
23 when they start to trade, that's when they get their  
24 initial kick on the upside. If it's a lousy issue, it  
25 opens below. If it opens below -- a new issue, for

1 example, if it opens below the issue price, it normally  
2 craters and that's when you would short it and do a day  
3 trade on the short side.

4 If a company opens at \$8 and starts to trade  
5 up, it's a good sign that the -- that the company has a  
6 following and that there's some liquidity and that is a  
7 positive stance on the upside.

8 Q. So just looking at those technical aspects as  
9 you -- aspects as you've described, that would be a  
10 reason for you to jump in and buy Sedona?

11 A. Yes.

12 Q. Well, then why did you sell it the same day?

13 A. I made money. That's what a day trader does.

14 Q. Could you explain?

15 A. Yes. I bought it at 8.25 and sold 9 and --  
16 whatever it was, 9.40, I believe it was, and I made  
17 \$5,000. I was overjoyed. It was a great -- a great  
18 trade.

19 Q. So what a day trader does is after it goes up  
20 a little bit, then you sell it and take the profit  
21 within the day?

22 A. Exactly.

23 Q. Okay. Now, this stock, Sedona, trading around  
24 8 or \$9 a share on January 21st had been traded at  
25 pennies over the preceding months. Why would you ever

1 buy a stock that went from pennies to 8 or \$9?

2 A. It didn't go from pennies to 8 or \$9. The  
3 company was a dormant corporation. It had no assets.  
4 When you -- on these reverse rollovers or -- they  
5 put -- when you put assets into a dormant company, you  
6 have to assess it on the value of the assets that go in  
7 it, so it's not from pennies to \$8 overnight.

8 Q. So for that reason it didn't seem odd to be  
9 buying a stock --

10 A. No.

11 Q. -- that had previously traded at pennies?

12 A. No, of course not. It happens all the time.

13 Q. Okay. You mentioned that you talked to your  
14 nephew Tony Wile by telephone?

15 A. Yes.

16 Q. And counsel directed your attention to the  
17 period of about two weeks before Sedona began trading  
18 on January 21, 2003, and he said based on looking at  
19 some phone records, what he counted up, there would be  
20 some days you'd talk to your nephew Tony once,  
21 sometimes two, three, even four times a day. Do you  
22 remember that?

23 A. Yes, I remember that.

24 Q. Was that the only time that you talked to  
25 your -- was that the only time that you talked to your

1 nephew Tony with that degree of frequency?

2 A. No. My -- my nephew Tony treats me as a  
3 father figure. He calls me about everything in the  
4 world that's going on, personal -- a great amount of  
5 the time it's personal. It's things that he's doing.  
6 In those days, Tony was single, and he was out and  
7 about on the town quite a bit. And he shared some of  
8 his experiences with me, many times, in the middle of  
9 the night, the morning, the market's open, closed. It  
10 didn't matter.

11 Q. So in that period before January 2003, as you  
12 described, you would have days when you'd talk to your  
13 nephew Tony two or three times a day?

14 A. Or even more than that, even more than that.

15 Q. And how about the period after January 2003,  
16 did you again keep in touch with Tony on a pretty  
17 regular basis?

18 A. Yes, I did.

19 Q. So there was nothing unusual, then, I take it,  
20 in having multiple calls in a particular day during  
21 January 2003 with your --

22 A. No.

23 Q. -- nephew Tony?

24 A. No, absolutely not.

25 Q. Now, when you talked about beginning to trade

1 Sedona or actually buying Sedona stock on the morning  
2 of January 21, 2003, counsel mentioned that you bought  
3 it at \$8.25 and you said that you simply topped the  
4 bid.

5 A. Yes.

6 Q. I'm wondering if you can explain in a  
7 layperson's language for all of us what that means,  
8 "simply top the bid," what you were doing there.

9 A. The stock had a bid of \$8. Someone was  
10 bidding \$8 a share for the stock, and I felt that I  
11 should pay 8.25. I'd be first in line if anyone was a  
12 seller in that range, and that's what happened.

13 Q. So, in other words, you would be basically --

14 A. Topping the bid.

15 Q. -- topping -- okay. So they'd come to you  
16 hopefully to --

17 A. Well, go to the broker, wherever -- wherever  
18 the order was placed, the highest bid, they're supposed  
19 to look for the best price to execute your trade,  
20 whether on the purchase or on the sell side.

21 Q. Now, how did you get the information as to  
22 what the bids were in this particular stock?

23 A. I have a professional computer set up called  
24 Stockwatch, which I have all the bids, all the stocks  
25 worldwide.

1 Q. So in this case, we've heard about market  
2 makers that post bid as quotes for the market?

3 A. Right.

4 Q. You're actually able to see that on your  
5 computer screen, your personal computer screen?

6 A. You're able to see the bids, what they are,  
7 yes. There was a bid of \$8 offered at 9 and change.  
8 Yeah, I'm able to see that. We also have what we call  
9 market depth that you can look and see who's bidding,  
10 for example, at 9 -- not who's bidding, but the 2,000  
11 bid at 9.5 and 8, blah, blah, blah, so you can take a  
12 look at both sides of the screen and see where you  
13 should be placing your orders to try to make your day  
14 trade. It's common knowledge. It's -- it's open to  
15 anywhere. You know, Scottrade and all of those things  
16 provide it to the client for free.

17 Q. Is this something that a day trader does on  
18 kind of a day-to-day basis --

19 A. Oh, no.

20 Q. -- or is this a rare thing?

21 A. No. That's something they do every day.  
22 Their -- their whole life is consumed by day trading.  
23 They're up, they read, they look, they're in the little  
24 day trading offices and that's what they do, where they  
25 trade from home on their computer.

1 Q. Is that what you did, looking at your  
2 screen -- looked at the screen and see what those  
3 quotes were?

4 A. Exactly.

5 Q. So this was just an ordinary day for you?

6 A. Just an ordinary day for me.

7 Q. You were looking at these kinds of quotes as  
8 part of your trading all day, every day?

9 A. All day, every day.

10 Q. That's how you made a living?

11 A. That's how I made a living.

12 Q. Now, when you decided you wanted to buy Sedona  
13 stock that morning and decided you were going to simply  
14 top the bid by going a little bit higher than the bid  
15 you saw on your computer screen, did any other person  
16 tell you what to bid?

17 A. No.

18 Q. How did you get the number?

19 A. How did I get the number? I saw the number on  
20 the screen. I saw it was 8 bid. I bid 8.25.

21 Q. Okay. That's just a little bit above, that  
22 would be a standard increment above --

23 A. Right.

24 Q. -- for somebody to bid?

25 A. It could have been -- it could have been an

1 eighth, it could have been a quarter, could have been a  
2 half. It didn't matter. It was what I thought I would  
3 bid for the stock.

4 Q. Did you consult with anybody --

5 A. No.

6 Q. -- on what your bid would be?

7 A. I -- I consult with no one on any bids I do.  
8 I phone my broker and say, "Buy me X amount of shares  
9 at this particular price," and hang up.

10 Q. Did you prearrange what your bid would be with  
11 anybody?

12 A. No.

13 Q. How about in selling the stock later in the  
14 day, did anybody tell you to sell the stock?

15 A. No, no.

16 Q. How about in determining what price you'd sell  
17 it at? Did anybody tell you what price to sell it at?

18 A. No.

19 Q. How did you decide what to sell it at?

20 A. It was offered. Whatever the offering was, I  
21 went beneath the offering, so if anyone purchased the  
22 stock, they would buy mine ahead of the offering that  
23 was in there.

24 Q. And that is typically what a day trader does  
25 in --



1 A. Absolutely.

2 Q. -- on a day-to-day basis?

3 A. Absolutely.

4 Q. Counsel also asked you about why you were  
5 using the name Industria Bomez --

6 A. Uh-huh.

7 Q. -- as your account name at the brokerage firm  
8 Canaccord that you used and you said that you didn't  
9 want to use your own name, you wanted to use a  
10 corporate name, Industria Bomez, because you wanted to  
11 keep your name off sucker lists.

12 A. Exactly.

13 Q. What -- what -- could you explain that to us  
14 in lay terms?

15 A. A sucker list is when a brokerage firm or an  
16 organization sells the names of its clients to a  
17 promotional firm that sends you promotional material  
18 and calls you day and night and asks you to buy shares  
19 or buy cosmetics or whatever.

20 Q. Is that kind of like at supertime when I get  
21 telemarketers after me?

22 A. Exactly, exactly. Where did they get your  
23 name from? They got it from -- someone sold them the  
24 list with your name on it, whether you were buying  
25 drugs at the drugstore and you used the little card.

1 They collect all that information and they sell it and  
2 they get good money for it and then people start  
3 hounding you and calling you. I don't want that.

4 Q. So using a corporate name as the name for your  
5 account is kind of like me having caller ID on my  
6 phone, so --

7 A. Exactly.

8 Q. -- I don't pick it up?

9 A. Exactly. And they can't go to the corporation  
10 that you're dealing with and ask them who the  
11 beneficial owner is of that particular account. They  
12 can't do -- they can't get that information, but they  
13 can get the name of the account.

14 Q. So this is your way to keep the telemarketers  
15 of the stock world off your back?

16 A. Exactly.

17 Q. Now, this brokerage firm that you used to do  
18 your trading or do a lot of your trading, I guess,  
19 Canaccord, where are they based?

20 A. Vancouver -- well, they're based in Canada.

21 Q. Okay. And why did you decide to use them as  
22 your broker?

23 A. I'm a Canadian. I used to live there.

24 Q. You were satisfied with their services?

25 A. Pretty much so.

1 Q. Okay.

2 A. Great executions and that's all I require.

3 Q. Okay. That's important to a day trader?

4 A. Definitely is. If I can't get my executions,  
5 I don't trade there.

6 Q. Looking at some of the account statements that  
7 counsel showed you a little earlier, I just scanned  
8 down some of them, but I noticed there were other  
9 mining stocks listed on those account statements. Is  
10 that an area that you are particularly interested in?

11 A. Yes.

12 Q. Can you tell us about that?

13 A. I could.

14 Q. Is it -- let me rephrase that. That was a bad  
15 question.

16 Is that a -- is that a particular area that  
17 you concentrate your trading on, mining stocks?

18 A. No. Junior -- junior situations are easier to  
19 stream, number one. I trade a lot of other things, not  
20 just junior mining companies. Those things didn't -- I  
21 trade S&Ps and puts and calls and commodities and  
22 everything under the sun I trade.

23 Q. Okay. Are mining stocks a fairly significant  
24 part of --

25 A. Used to be much more than it is now.

1 Q. Okay. And how about the time frame around  
2 January 2003 or plus or minus a year, were mining  
3 stocks something you were interested in?

4 A. Definitely, yes.

5 Q. When you bid for and bought Sedona stock on  
6 the morning of January 21, 2003, was that part of any  
7 scheme to manipulate the price of Sedona stock?

8 A. No.

9 Q. Was that in any way part of any fraudulent or  
10 improper conduct?

11 A. No.

12 Q. And that was just normal day trading activity?

13 A. Yes.

14 Q. Nobody told you to make the purchase?

15 A. No.

16 Q. You made your own decision?

17 A. I always do.

18 MR. CRIMMINS: Nothing further. Thank you.

19 MR. CHRETIEN: Phil or Lenny?

20 MR. SMITH: I don't have any questions. This  
21 is Phil.

22 MR. CRIMMINS: Do we have anyone from Akerman?

23 MR. BLOOM: I have no questions.

24 MR. CHRETIEN: Mario, do you have any?

25 MR. HO: I have got maybe two or three.

1 MR. CHRETIEN: Okay.

2 EXAMINATION

3 BY MR. HO:

4 Q. Mr. Wew, my name is Derek Ho. I represent the  
5 LOM entities in this case. I have just a couple of  
6 additional questions.

7 We've been discussing a couple of trades that  
8 you made on January 21st, 2003.

9 Other than those two trades, the purchase of  
10 5,000 shares of Sedona and the sale later that day of  
11 5,000 shares of Sedona, did you have any involvement  
12 whatsoever in any other trades of Sedona on that day?

13 A. Not on that date.

14 Q. Did you have any contacts with anybody at --  
15 strike that.

16 Are you familiar with a market maker named V  
17 Finance?

18 A. No.

19 Q. Did you have any contact whatsoever with  
20 anyone at V Finance on January 21, 2003, regarding  
21 Sedona?

22 A. No.

23 Q. When you placed your trades in Sedona Software  
24 Solutions on January 21, 2003, did you have any control  
25 over what counterparty your order would be directed to?

1 A. No.

2 Q. You had three accounts at one of the LOM  
3 brokerage companies, one in the name of Lucian Winds,  
4 the other -- another in the name of W.E.W. Consultores  
5 and the third in the name of Industria Bomez; is that  
6 correct?

7 A. Uh-huh.

8 Q. Those were three companies that you were the  
9 beneficial owner of?

10 A. Correct.

11 Q. Did those companies exist prior to the time  
12 that you opened your accounts in the name of those  
13 companies at LOM?

14 A. Yes.

15 Q. Were those companies companies that LOM had  
16 any involvement in creating?

17 A. No.

18 MR. HO: I have nothing further.

19 MR. CHRETIEN: Do you have anything?

20 MR. AIETA: Yeah, just quick.

21

22 EXAMINATION

23 BY MR. AIETA:

24 Q. Mr. Wew, although I'm sitting to your left, I  
25 would ask that you answer the questions looking at

1 fulfilled, which I have every expectation that it will  
2 be.

3 MR. AIETA: Absolutely. We have done so and I  
4 appreciate it.

5 MR. CHRETIEN: Okay. Anybody else?

6 Mr. Wew, thank you. Thank you for coming  
7 today. I appreciate it, and that concludes the  
8 deposition.

9 THE VIDEOGRAPHER: This concludes today's  
10 deposition of Wayne Eldridge Wew. The master video  
11 will be maintained by Esquire Deposition Solutions.  
12 We're off the record at 12:59 p.m.

13 (Deposition concluded at 12:59 p.m.)  
14  
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# **EXHIBIT B**



Canaccord Capital Corp.

**030121-02816****00052834**

|                                                     |                         |                                           |                            |                               |                         |
|-----------------------------------------------------|-------------------------|-------------------------------------------|----------------------------|-------------------------------|-------------------------|
| ORDER TO<br><b>BUY</b><br>TIME ENTERED:<br>13:01:58 | QUANTITY<br><b>5000</b> | SECURITY<br><b>SEDONA SFTWR SOLNS INC</b> | ORDER PRICE<br><b>8.25</b> | GOODS FILL<br><b>01/21/03</b> | DAY<br><b>X</b><br>OPEN |
| CLIENT<br><b>INDUSTRIAS BALM</b>                    |                         |                                           | NEW ACCT.                  | SEC. CODE<br><b>SSSI</b>      | GPS                     |

|                                       |                      |                                |             |                              |                 |                         |                      |             |                     |                                |
|---------------------------------------|----------------------|--------------------------------|-------------|------------------------------|-----------------|-------------------------|----------------------|-------------|---------------------|--------------------------------|
| ENTERED BY / AUTH BY<br><b>vtrrxw</b> |                      | ACCOUNT<br><b>31F-465F-5</b>   |             | TUT<br><b>VRRW</b>           |                 | QUANTITY<br><b>5000</b> | PRICE<br><b>8.25</b> | CLRG<br>BKP | BALANCE<br><b>0</b> | TIME FILLED<br><b>01/21/03</b> |
| <b>(A)</b>                            | MATRL 1<br><b>UU</b> | COMMISSION<br><b>400.00</b>    |             | SPLIT OR PRELIG<br><b>NO</b> |                 |                         |                      |             |                     |                                |
|                                       | MARKET<br><b>P</b>   | INV TRANSFER PRICE<br><b>0</b> |             | INV ACCT                     |                 |                         |                      |             |                     |                                |
| EXCHANGE RATE<br><b>0.00</b>          |                      | VALUE DATE<br>M D              |             | OPTION<br>CODE               | HM<br><b>NO</b> | CHG/CHG                 |                      |             |                     |                                |
| IF AS<br>& WHEN                       | STOTI<br>BALL        | EX<br>DIV                      | FOR<br>BYND | CON-<br>TUGT                 | INT<br>PLAT     | MKT                     | TICKET<br>CHANGE     |             |                     |                                |
| <b>12</b>                             | <b>0</b>             | <b>3</b>                       | <b>4</b>    | <b>7</b>                     | <b>8</b>        | <b>9</b>                | <b>KP TRAILER</b>    |             |                     |                                |

**BROKER SIDE**

|                              |                    |                    |                              |               |     |                 |                  |                  |
|------------------------------|--------------------|--------------------|------------------------------|---------------|-----|-----------------|------------------|------------------|
| ACCOUNT<br><b>107-178D-2</b> | TUT<br><b>VUUT</b> | TU<br><b>(T) N</b> | SPLIT OR PRELIG<br><b>NO</b> | EXCHANGE RATE | TAX | HM<br><b>NO</b> | COOLD<br>TRAILER | TICKET<br>CHANGE |
| <b>KP TRAILER</b>            |                    |                    |                              |               |     |                 |                  |                  |

**PREFIGURED**

|        |                      |                            |                             |                       |                           |                |                          |                         |
|--------|----------------------|----------------------------|-----------------------------|-----------------------|---------------------------|----------------|--------------------------|-------------------------|
| Client | GROSS<br><b>0.00</b> | ACCRAID INT<br><b>0.00</b> | COMMISSION<br><b>400.00</b> | NY TAX<br><b>0.00</b> | TICKET CHG<br><b>0.00</b> | OTHER TAX TYPE | OTHER TAX<br><b>0.00</b> | EXCHANGE<br><b>0.00</b> |
| Broker | GROSS                | ACCRAID INT                | COMMISSION                  | NY TAX                | TICKET CHG                | OTHER TAX TYPE | OTHER TAX                | EXCHANGE                |

**ORDER NOTES**

01/21/03 06:24:49 ORDER CREATED  
 01/21/03 06:24:49 NEW ORDER SENT TO BRSS DATE:01/21/03  
 01/21/03 06:24:52 # 2816 ON 01/21/03 ACKNOWLEDGED BY ATS  
 01/21/03 06:31:55 FILL RECEIVED: 5000 @ 8.25 LEAVING 0  
 01/21/03 13:01:51 Commission changed from TO 400.00  
 01/21/03 13:01:51 POST EXECUTION APPROVAL REQUIRED - Prefigured Commission  
 01/21/03 13:01:58 Running ticket status changed from yes to no  
 01/21/03 13:01:58 POST EXECUTION APPROVAL REQUIRED - Prefigured Commission  
 01/21/03 13:19:46 POST-EXECUTION QUICK APPROVAL  
 01/21/03 13:19:57 ORDER CONTRACTED  
 01/21/03 17:00:27 ORDER ARCHIVED

Canaccord Capital Corp.

030121-05090

CFO

00052834

|                                                      |                  |                                    |                     |                       |                         |
|------------------------------------------------------|------------------|------------------------------------|---------------------|-----------------------|-------------------------|
| ORDER TO<br><b>SELL</b><br>TIME ENTERED:<br>13:05:30 | QUANTITY<br>1000 | SECURITY<br>SEDONA SFTWR SOLNS INC | ORDER PRICE<br>9.40 | GOOD TILL<br>01/21/03 | DAY<br><b>X</b><br>OPEN |
| CLIENT<br>INDUSTRIAS BALM                            |                  |                                    | NEW<br>ACCT.        | SIC CODE<br>SSSI      | SIC<br><b>X</b>         |

|                                  |                       |                         |                   |                |                  |              |                  |              |                         |
|----------------------------------|-----------------------|-------------------------|-------------------|----------------|------------------|--------------|------------------|--------------|-------------------------|
| ENTRY TYPE / AUTHORITY<br>vtrrxw |                       | ACCOUNT<br>31F-465E-5   |                   | HR<br>VRRW     | QUANTITY<br>1000 | PRICE<br>9.4 | CLRD<br>BKT      | BALANCE<br>0 | TIME FILLED<br>01/21/03 |
| <b>(A)</b>                       | MATRLT<br>UU          | COMMISSION<br><b>X</b>  |                   | DKT            |                  |              |                  |              |                         |
|                                  | SPLIT OR PREFIG       |                         |                   |                |                  |              |                  |              |                         |
| <b>P</b>                         | MATRLT                | INV TRANSFER PRICE<br>0 |                   | INV ACCT       |                  |              |                  |              |                         |
|                                  | EXCHANGE RATE<br>0.00 |                         | VALUE DATE<br>M D | OPTION<br>CODE | HM<br>NO         | OCCASIO      |                  |              |                         |
| IF AS<br>& WILN                  | BIRTH<br>BALL         | LR<br>DIV               | FOR<br>BYND       | CON-<br>FLCT   | INT<br>FLAT      | MKT<br>9     | TICKET<br>CHARGE |              |                         |
| 12                               | 0                     | 3                       | 4                 | 7              | 8                | 9            | KP TRAILER       |              |                         |

## BROKER SIDE

|                       |             |                  |         |         |         |                          |               |     |          |    |                  |                  |
|-----------------------|-------------|------------------|---------|---------|---------|--------------------------|---------------|-----|----------|----|------------------|------------------|
| ACCOUNT<br>107-167D-5 | INT<br>VUUT | TO<br><b>(T)</b> | NY<br>N | NY<br>N | NY<br>N | SPLIT OR PREFERRED<br>NO | EXCHANGE RATE | TAX | HM<br>NO | CC | COULD<br>TRAILER | TICKET<br>CHARGE |
| KP TRAILER            |             |                  |         |         |         |                          |               |     |          |    |                  |                  |

## PREFIGURED

|        |               |                     |                    |                |                    |                |                   |                  |
|--------|---------------|---------------------|--------------------|----------------|--------------------|----------------|-------------------|------------------|
| Client | GROSS<br>0.00 | ACCRUED INT<br>0.00 | COMMISSION<br>0.00 | NY TAX<br>0.00 | TICKET CHG<br>0.00 | OTHER TAX TYPE | OTHER TAX<br>0.00 | EXCHANGE<br>0.00 |
| Broker | GROSS         | ACCRUED INT         | COMMISSION         | NY TAX         | TICKET CHG         | OTHER TAX TYPE | OTHER TAX         | EXCHANGE         |

## ORDER NOTES

01/21/03 11:54:15 Sell order will cause the account to go short.  
 01/21/03 11:54:15 ORDER CREATED  
 01/21/03 11:54:16 NEW ORDER SENT TO BRSS DATE:01/21/03  
 01/21/03 11:54:18 # 5090 ON 01/21/03 ACKNOWLEDGED BY ATS  
 01/21/03 12:52:37 CFO PRICE CHANGED FROM 9.90 TO 9.40  
 01/21/03 12:52:37 Sell order will cause the account to go short.  
 01/21/03 12:52:37 REPLACEMENT ORDER SENT TO BRSS DATE:01/21/03  
 01/21/03 12:52:39 CFO # 5090 ON 01/21/03 ACKNOWLEDGED BY ATS  
 01/21/03 12:54:19 FILL RECEIVED: 1000 @ 9.40 LEAVING 0  
 01/21/03 13:05:30 Commission changed from TO 0  
 01/21/03 13:05:30 Surcharge Fee status from yes to no  
 01/21/03 13:05:30 ORDER CHANGED  
 01/21/03 13:05:30 POST EXECUTION APPROVAL REQUIRED - Prefigured Commission  
 01/21/03 13:14:55 POST-EXECUTION QUICK APPROVAL  
 01/21/03 16:00:55 ORDER CONTRACTED  
 01/21/03 16:00:55 FORCED CONTRACTING WITHOUT REQUIRED APPROVAL OR RUNNING TIC  
 CONTRACTED  
 01/21/03 17:00:37 ORDER ARCHIVED

Canaccord Capital Corp.

|                           |                           |                                    |                     |                       |                 |
|---------------------------|---------------------------|------------------------------------|---------------------|-----------------------|-----------------|
| <b>030121-02993</b>       |                           | <b>CFO</b>                         |                     | <b>00052834</b>       |                 |
| ORDER TO<br><b>SELL</b>   | QUANTITY<br>1500          | SECURITY<br>SEDONA SFTWR SOLNS INC | ORDER PRICE<br>9.40 | GOOD WILL<br>01/21/03 | DAY<br><b>X</b> |
| TIME ENTERED:<br>13:05:47 | CLIENT<br>INDUSTRIAS BALM |                                    | NEW ACCT.           | SRC CODE<br>SSSI      | STO<br><b>X</b> |

|                               |               |                         |               |                   |               |
|-------------------------------|---------------|-------------------------|---------------|-------------------|---------------|
| ENTRER BY / AUTH BY<br>vtrrxw |               | ACCOUNT<br>31F-465F-5   |               | TICKET<br>VRRW    |               |
| <b>(A)</b>                    | MATRIET<br>UU | COMMISSION<br><b>X</b>  |               | TICKET            |               |
|                               | MATRIET<br>P  | INV TRANSFER PRICE<br>0 |               | INV ACCT          |               |
| EXCHANGE RATE<br>0.00         |               | VALUATION DATE<br>M D   |               | OPTION CODE<br>NO | USDC/USD      |
| IF AS<br>8 WHEN               | SHORT<br>BALL | EX DIV<br>3             | FOR SYND<br>4 | CONF<br>PLAT      | INT PLAT      |
| 12                            | 0             | 3                       | 4             | 7                 | 8             |
|                               |               |                         |               | MKT               | TICKET CHARGE |
|                               |               |                         |               | 9                 |               |
| KP TRAILER                    |               |                         |               |                   |               |

|                    |  |                       |  |            |                  |   |                |  |               |  |     |    |    |                 |                  |
|--------------------|--|-----------------------|--|------------|------------------|---|----------------|--|---------------|--|-----|----|----|-----------------|------------------|
| <b>BROKER SIDE</b> |  | ACCOUNT<br>107-940D-5 |  | RR<br>VUUT | TH<br><b>(T)</b> | N | SPEC OR PREFIX |  | EXCHANGE RATE |  | TAX | HM | CC | CODED<br>THALLI | TICKET<br>CHARGE |
| KP TRAILER         |  |                       |  |            |                  |   |                |  |               |  |     |    |    |                 |                  |

|                   |               |                     |                    |                |                    |                |                   |                  |
|-------------------|---------------|---------------------|--------------------|----------------|--------------------|----------------|-------------------|------------------|
| <b>PREFIGURED</b> |               |                     |                    |                |                    |                |                   |                  |
| Client            | GROSS<br>0.00 | ACCRUED INT<br>0.00 | COMMISSION<br>0.00 | NY TAX<br>0.00 | TICKET CHG<br>0.00 | OTHER TAX TYPE | OTHER TAX<br>0.00 | EXCHANGE<br>0.00 |
| Broker            | GROSS         | ACCRUED INT         | COMMISSION         | NY TAX         | TICKET CHG         | OTHER TAX TYPE | OTHER TAX         | EXCHANGE         |

### ORDER NOTES

01/21/03 06:45:24 Sell order will cause the account to go short.  
 01/21/03 06:45:24 ORDER CREATED  
 01/21/03 06:45:25 NEW ORDER SENT TO BRSS DATE:01/21/03  
 01/21/03 06:45:27 # 2993 ON 01/21/03 ACKNOWLEDGED BY ATS  
 01/21/03 11:34:58 CFO PRICE CHANGED FROM 9.50 TO 9.49  
 01/21/03 11:34:58 Sell order will cause the account to go short.  
 01/21/03 11:34:58 REPLACEMENT ORDER SENT TO BRSS DATE:01/21/03  
 01/21/03 11:35:03 CFO # 2993 ON 01/21/03 ACKNOWLEDGED BY ATS  
 01/21/03 12:16:30 FILL RECEIVED: 500 @ 9.49 LEAVING 1000  
 01/21/03 12:56:34 CFO PRICE CHANGED FROM 9.49 TO 9.40  
 01/21/03 12:56:34 Sell order will cause the account to go short.  
 01/21/03 12:56:34 REPLACEMENT ORDER SENT TO BRSS DATE:01/21/03  
 01/21/03 12:56:51 CFO # 2993 ON 01/21/03 ACKNOWLEDGED BY ATS  
 01/21/03 13:00:45 FILL RECEIVED: 1000 @ 9.40 LEAVING 0  
 01/21/03 13:05:47 Commission changed from TO 0  
 01/21/03 13:05:47 Running ticket status changed from yes to no  
 01/21/03 13:05:47 Surcharge Fee status from yes to no  
 01/21/03 13:05:47 ORDER CHANGED  
 01/21/03 13:05:47 POST EXECUTION APPROVAL REQUIRED - Prefigured Commission  
 01/21/03 13:15:01 POST-EXECUTION QUICK APPROVAL  
 01/21/03 13:15:11 ORDER CONTRACTED

**ORDER NOTES**

01/21/03 17:00:49 ORDER ARCHIVED

Canaccord Capital Corp.

**030121-02914****00052834**

|                                                      |                         |                                           |                            |                              |                         |
|------------------------------------------------------|-------------------------|-------------------------------------------|----------------------------|------------------------------|-------------------------|
| ORDER TO<br><b>SELL</b><br>TIME ENTERED:<br>13:07:13 | QUANTITY<br><b>2500</b> | SECURITY<br><b>SEDONA SFTWR SOLNS INC</b> | ORDER PRICE<br><b>9.25</b> | GOOD TILL<br><b>01/21/03</b> | DAY<br><b>X</b><br>OPEN |
| CLIENT<br><b>INDUSTRIAS BALM</b>                     |                         |                                           | NLW<br>ACCT.               | SEC. CODE<br><b>SSSI</b>     | CFO                     |

|                                       |                     |                                |           |                   |                         |                      |                   |                        |                                |
|---------------------------------------|---------------------|--------------------------------|-----------|-------------------|-------------------------|----------------------|-------------------|------------------------|--------------------------------|
| ENTRIES BY / AUTH BY<br><b>vtrrxw</b> |                     | ACCOUNT<br><b>31F-465F-5</b>   |           | RM<br><b>VRRW</b> | QUANTITY<br><b>1000</b> | PRICE<br><b>9.25</b> | CURR<br>BRK       | BALANCE<br><b>1500</b> | TIME FILLED<br><b>01/21/03</b> |
| <b>(A)</b>                            | MARKET<br><b>UU</b> | COMMISSION<br><b>400.00</b>    |           | BRK               | <b>1000</b>             | <b>9.25</b>          |                   | <b>500</b>             | <b>01/21/03</b>                |
|                                       | MARKET<br><b>P</b>  | INV TRANSFER PRICE<br><b>0</b> |           | INV ACCT          | <b>300</b>              | <b>9.25</b>          |                   | <b>200</b>             | <b>01/21/03</b>                |
| EXCHANGE RATE<br><b>0.00</b>          |                     | VALUE DATE<br><b>M D</b>       |           | OPTION<br>CODE    | <b>200</b>              | <b>9.26</b>          |                   | <b>0</b>               | <b>01/21/03</b>                |
| IF AS<br>A WHOLE                      |                     | SHORT<br>SALE                  | TS<br>DIV | FOR<br>SYND       | CON<br>FLUCT            | INT<br>RAT           | MTY               | TICKET<br>CHARGE       |                                |
| <b>12</b>                             | <b>0</b>            | <b>3</b>                       | <b>4</b>  | <b>7</b>          | <b>8</b>                | <b>9</b>             | <b>KP TRAILER</b> |                        |                                |

**BROKER SIDE**

|                              |                    |                    |                           |               |     |                 |                 |                 |                  |
|------------------------------|--------------------|--------------------|---------------------------|---------------|-----|-----------------|-----------------|-----------------|------------------|
| ACCOUNT<br><b>107-167D-5</b> | TRF<br><b>VUUT</b> | TO<br><b>(T) N</b> | SPOT OR FILL<br><b>NO</b> | EXCHANGE RATE | TAX | RM<br><b>NO</b> | DD<br><b>NO</b> | GOOD<br>TRAILER | TICKET<br>CHARGE |
| <b>KP TRAILER</b>            |                    |                    |                           |               |     |                 |                 |                 |                  |

**PREFIGURED**

|        |                      |                           |                             |                       |                           |                |                          |                         |
|--------|----------------------|---------------------------|-----------------------------|-----------------------|---------------------------|----------------|--------------------------|-------------------------|
| Client | GROSS<br><b>0.00</b> | ACCURD INT<br><b>0.00</b> | COMMISSION<br><b>400.00</b> | NY TAX<br><b>0.00</b> | TICKET CHG<br><b>0.00</b> | OTHER TAX TYPE | OTHER TAX<br><b>0.00</b> | EXCHANGE<br><b>0.00</b> |
| Broker | GROSS                | ACCURD INT                | COMMISSION                  | NY TAX                | TICKET CHG                | OTHER TAX TYPE | OTHER TAX                | EXCHANGE                |

**ORDER NOTES**

01/21/03 06:37:13 Sell order will cause the account to go short.  
 01/21/03 06:37:13 ORDER CREATED  
 01/21/03 06:37:16 NEW ORDER SENT TO BRSS DATE:01/21/03  
 01/21/03 06:37:31 # 2914 ON 01/21/03 ACKNOWLEDGED BY ATS  
 01/21/03 06:37:56 FILL RECEIVED: 1000 @ 9.25 LEAVING 1500  
 01/21/03 06:37:57 FILL RECEIVED: 1000 @ 9.25 LEAVING 500  
 01/21/03 06:38:57 FILL RECEIVED: 300 @ 9.25 LEAVING 200  
 01/21/03 06:45:25 FILL RECEIVED: 200 @ 9.26 LEAVING 0  
 01/21/03 13:07:13 Commission changed from TO 400.00  
 01/21/03 13:07:13 Running ticket status changed from yes to no  
 01/21/03 13:07:13 ORDER CHANGED  
 01/21/03 13:07:13 POST EXECUTION APPROVAL REQUIRED - Prefigured Commission  
 01/21/03 13:15:48 POST-EXECUTION QUICK APPROVAL  
 01/21/03 13:16:17 ORDER CONTRACTED  
 01/21/03 17:00:50 ORDER ARCHIVED

01/22/03 08:55:11 ORDER CREATED  
01/22/03 08:55:11 NEW ORDER SENT TO BRSS DATE:01/22/03  
01/22/03 08:55:12 # 7087 ON 01/22/03 ACKNOWLEDGED BY ATS  
01/22/03 17:00:16 ORDER ARCHIVED  
01/22/03 17:01:18 ORDER EXPIRED

Canaccord Capital Corp.

**030122-08509****00052834**

|                                                      |                                                             |                                           |                            |                              |                                                      |
|------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------|----------------------------|------------------------------|------------------------------------------------------|
| ORDER TO<br><b>SELL</b><br>TIME ENTERED:<br>12:42:59 | QUANTITY<br><b>2000</b><br>CLIENT<br><b>INDUSTRIAS BALM</b> | SECURITY<br><b>SEDONA SFTWR SOLNS INC</b> | ORDER PRICE<br><b>9.35</b> | GOOD TILL<br><b>01/22/03</b> | DAY<br><b>X</b><br>OPEN<br><b></b><br>CFO<br><b></b> |
| NEW ACCT.<br><b></b>                                 |                                                             |                                           | SEC. CODE<br><b>SSSI</b>   |                              |                                                      |

|                                       |                     |                                   |             |                          |             |          |                   |         |             |
|---------------------------------------|---------------------|-----------------------------------|-------------|--------------------------|-------------|----------|-------------------|---------|-------------|
| ENTERED BY / AUTH BY<br><b>vttrxw</b> |                     | ACCOUNT<br><b>31F-465F-5</b>      |             | RR<br><b>VRRW</b>        | QUANTITY    | PRICE    | GLRD<br>BKM       | BALANCE | TIME FILLED |
| <b>(A)</b>                            | MARKET<br><b>UU</b> | COMMISSION<br>SPLIT OR PREFIG     |             | BK1                      |             |          |                   |         |             |
|                                       | MARKET<br><b>P</b>  | INV TRANSFER FEE<br><b>0</b>      |             | INV ACCT                 |             |          |                   |         |             |
| EXCHANGE RATE<br><b>0.00</b>          |                     | VALUE DATE<br>M <b></b> D <b></b> |             | OPTION CODE<br><b>NO</b> |             |          |                   |         |             |
| IF AS<br>& WHEN                       | STIGHT<br>SALT      | LX<br>DIV                         | FOR<br>SYND | CONF<br>FLICT            | INT<br>PLAT | MKT      | TICKET<br>CHARGE  |         |             |
| <b>12</b>                             | <b>0</b>            | <b>3</b>                          | <b>4</b>    | <b>7</b>                 | <b>8</b>    | <b>9</b> | <b>KP TRAILER</b> |         |             |

**BROKER SIDE**

|                   |    |            |               |               |     |    |    |                 |                  |
|-------------------|----|------------|---------------|---------------|-----|----|----|-----------------|------------------|
| ACCOUNT           | RR | TO         | SPOT OR PAPER | EXCHANGE RATE | TAX | HM | OC | GOOD<br>TRAILER | TICKET<br>CHARGE |
| <b>KP TRAILER</b> |    | <b>T N</b> |               |               |     |    |    |                 |                  |

**PREFIGURED**

|        |       |                |            |        |            |                |           |          |
|--------|-------|----------------|------------|--------|------------|----------------|-----------|----------|
| Client | GROSS | ACCREDITED INT | COMMISSION | NY TAX | TICKET CHG | OTHER TAX TYPE | OTHER TAX | EXCHANGE |
| Broker | GROSS | ACCREDITED INT | COMMISSION | NY TAX | TICKET CHG | OTHER TAX TYPE | OTHER TAX | EXCHANGE |

**ORDER NOTES**

01/22/03 12:42:59 Sell order will cause the account to go short.  
 01/22/03 12:42:59 ORDER CREATED  
 01/22/03 12:43:00 NEW ORDER SENT TO BRSS DATE:01/22/03  
 01/22/03 12:43:02 # 8509 ON 01/22/03 ACKNOWLEDGED BY ATS  
 01/22/03 17:00:28 ORDER ARCHIVED  
 01/22/03 17:01:18 ORDER EXPIRED



Canaccord Capital Corp.

030122-05957

00052834

|                                                     |                  |                                    |                     |                       |                         |
|-----------------------------------------------------|------------------|------------------------------------|---------------------|-----------------------|-------------------------|
| ORDER TO<br><b>BUY</b><br>TIME EXPIRED:<br>12:53:28 | QUANTITY<br>2000 | SECURITY<br>SEDONA SFTWR SOLNS INC | ORDER PRICE<br>9.10 | GOOD TILL<br>01/22/03 | DAY<br><b>X</b><br>OPEN |
| CLIENT<br>INDUSTRIAS BALM                           |                  |                                    | NEW<br>ACCT.        | SEC. CODE<br>SSSI     |                         |

|                              |                 |                         |             |                |                  |                |                  |              |                          |
|------------------------------|-----------------|-------------------------|-------------|----------------|------------------|----------------|------------------|--------------|--------------------------|
| ENTRY BY / AUTH BY<br>vtrrxw |                 | ACCOUNT<br>31F-465F-5   |             | RR<br>VRRW     | QUANTITY<br>2000 | PRICE<br>9     | ORDER<br>BKR     | BALANCE<br>0 | TIME FILL TO<br>01/22/03 |
| <b>(A)</b>                   | MATRL I<br>UU   | COMMISSION<br>135.00    |             | BRIS           |                  |                |                  |              |                          |
|                              | MATRL I<br>P    | INV TRANSFER PRICE<br>0 |             | INV ACCT       |                  |                |                  |              |                          |
| EXCHANGE RATE<br>0.00        |                 | VALUE DATE<br>M D       |             | OPTION<br>CODE | HM<br>NO         | GROSS<br>GROSS |                  |              |                          |
| IF AS<br>WHEN                | BID/ASK<br>12 0 | EX<br>DIV               | FOR<br>SYND | CON-<br>FLICT  | INT<br>FLAT      | DIRT<br>9      | TICKET<br>CHARGE |              |                          |
| KP TRAILER                   |                 |                         |             |                |                  |                |                  |              |                          |

**BROKER SIDE**

|                       |             |                   |   |             |             |                      |               |     |           |    |                 |                  |
|-----------------------|-------------|-------------------|---|-------------|-------------|----------------------|---------------|-----|-----------|----|-----------------|------------------|
| ACCOUNT<br>107-167D-5 | TUR<br>VUUT | TIC<br><b>(T)</b> | N | DEPT<br>100 | DEPT<br>100 | DEPT ON FILING<br>NO | EXCHANGE RATE | TAX | TIM<br>NO | OC | GOOD<br>TRAILER | TICKET<br>CHARGE |
| KP TRAILER            |             |                   |   |             |             |                      |               |     |           |    |                 |                  |

**PREFIGURED**

| Client | GROSS | ACCURD INT | COMMISSION | NY TAX | TICKET CHG | OTHER TAX TYPE | OTHER TAX | EXCHANGE |
|--------|-------|------------|------------|--------|------------|----------------|-----------|----------|
|        | 0.00  | 0.00       | 135.00     | 0.00   | 0.00       |                | 0.00      | 0.00     |
| Broker | GROSS | ACCURD INT | COMMISSION | NY TAX | TICKET CHG | OTHER TAX TYPE | OTHER TAX | EXCHANGE |
|        |       |            |            |        |            |                |           |          |

**ORDER NOTES**

01/22/03 06:22:17 ORDER CREATED  
 01/22/03 06:22:17 NEW ORDER SENT TO BRSS DATE:01/22/03  
 01/22/03 06:22:29 # 5957 ON 01/22/03 ACKNOWLEDGED BY ATS  
 01/22/03 08:41:08 FILL RECEIVED: 2000 @ 9.00 LEAVING 0  
 01/22/03 12:53:28 Commission changed from TO 135.00  
 01/22/03 12:53:28 POST EXECUTION APPROVAL REQUIRED - Prefigured Commission  
 01/22/03 13:25:56 POST-EXECUTION QUICK APPROVAL  
 01/22/03 16:00:10 ORDER CONTRACTED  
 01/22/03 16:00:10 FORCED CONTRACTING WITHOUT REQUIRED APPROVAL OR RUNNING TIC  
 CONTRACTED  
 01/22/03 17:00:21 ORDER ARCHIVED



Canaccord Capital Corp.

**030123-00318****CFO****00052834**

|                                                   |                           |                        |             |                  |                 |
|---------------------------------------------------|---------------------------|------------------------|-------------|------------------|-----------------|
| <b>ORDER TO SELL</b><br>TIME ENTERED:<br>13:16:55 | QUANTITY                  | SECURITY               | ORDER PRICE | GOOD YIELD       | DAY<br><b>X</b> |
|                                                   | 1000                      | SEDONA SFTWR SOLNS INC | 9.30        | 01/23/03         | OPEN            |
|                                                   | CLIENT<br>INDUSTRIAS BALM |                        | NEW ACCT.   | SLE CODE<br>SSSI | END<br><b>X</b> |

|                     |        |                    |     |             |          |       |        |            |             |
|---------------------|--------|--------------------|-----|-------------|----------|-------|--------|------------|-------------|
| PROPERTY / SECURITY |        | ACCOUNT            |     | RR          | QUANTITY | PRICE | CDR    | BALANCE    | TIME FILLED |
| vtrrxw /            |        | 31F-465F-5         |     | VRRW        | 1000     | 9.3   |        | 0          | 01/23/03    |
| <b>(A)</b>          | MARKET | COMMISSION         |     | ISRT        |          |       |        |            |             |
|                     | UU     | 200.00             |     |             |          |       |        |            |             |
| <b>P</b>            | MARKET | INV TRANSFER PRICE |     | INV ADJUST  |          |       |        |            |             |
|                     |        | 0                  |     |             |          |       |        |            |             |
| EXCHANGE RATE       |        | VALUE DATE         |     | OPTION CODE | RR       | ORDER |        |            |             |
| 0.00                |        |                    |     |             | NO       |       |        |            |             |
| IPAS                | SHR    | FX                 | BSA | CON         | INT      | MKT   | TICKET |            |             |
| 12                  | 0      | 3                  | 4   | 7           | 8        | 9     | CHANGE | KP TRAILER |             |

**BROKER SIDE**

|            |      |              |                 |               |     |    |    |              |               |
|------------|------|--------------|-----------------|---------------|-----|----|----|--------------|---------------|
| ACCOUNT    | RR   | TR           | SPLIT OR PREFIX | EXCHANGE RATE | TAX | RR | OC | GOOD TRAILER | TICKET CHANGE |
| 107-002D-4 | VUUT | <b>(T)</b> N |                 |               |     | NO |    |              |               |
| KP TRAILER |      |              |                 |               |     |    |    |              |               |

**PREFIGURED**

|        |       |             |            |        |            |                |           |          |
|--------|-------|-------------|------------|--------|------------|----------------|-----------|----------|
| Client | GROSS | ACCOUNT INT | COMMISSION | NY TAX | TICKET CHG | OTHER TAX TYPE | OTHER TAX | EXCHANGE |
|        | 0.00  | 0.00        | 200.00     | 0.00   | 0.00       |                | 0.00      | 0.00     |
| Broker | GROSS | ACCOUNT INT | COMMISSION | NY TAX | TICKET CHG | OTHER TAX TYPE | OTHER TAX | EXCHANGE |

**OPERATIONS NOTES**

OKM

**ORDER NOTES**

01/23/03 06:51:10 Possible duplicate order - an open order in the order book matches the account and security of this order.

01/23/03 06:51:10 ORDER CREATED

01/23/03 06:51:11 NEW ORDER SENT TO BRSS DATE:01/23/03

01/23/03 06:51:12 # 318 ON 01/23/03 ACKNOWLEDGED BY ATS

01/23/03 06:52:59 CFO PRICE CHANGED FROM 9.75 TO 9.40

01/23/03 06:52:59 Possible duplicate order - an open order in the order book matches the account and security of this order.

01/23/03 06:52:59 REPLACEMENT ORDER SENT TO BRSS DATE:01/23/03

01/23/03 06:53:01 CFO # 318 ON 01/23/03 ACKNOWLEDGED BY ATS

01/23/03 07:05:16 CFO PRICE CHANGED FROM 9.40 TO 9.30

01/23/03 07:05:16 Possible duplicate order - an open order in the order book matches the account and security of this order.

01/23/03 07:05:17 REPLACEMENT ORDER SENT TO BRSS DATE:01/23/03

01/23/03 07:05:19 CFO # 318 ON 01/23/03 ACKNOWLEDGED BY ATS

01/23/03 07:07:18 FILL RECEIVED: 1000 @ 9.30 LEAVING 0

01/23/03 12:59:56 Commission changed from TO 200.00

01/23/03 12:59:56 Running ticket status changed from yes to no

#### ORDER NOTES

01/23/03 12:59:56 Surcharge Fee status from yes to no  
01/23/03 12:59:56 POST EXECUTION APPROVAL REQUIRED - Prefigured Commission  
01/23/03 13:16:55 Operations Note added: OKM  
01/23/03 13:16:55 ORDER CHANGED  
01/23/03 13:16:55 POST EXECUTION APPROVAL REQUIRED - Prefigured Commission  
01/23/03 13:17:11 POST-EXECUTION QUICK APPROVAL  
01/23/03 13:17:13 ORDER CONTRACTED  
01/23/03 17:00:42 ORDER ARCHIVED

Canaccord Capital Corp.

|                                                      |                         |                                           |                            |                              |                         |
|------------------------------------------------------|-------------------------|-------------------------------------------|----------------------------|------------------------------|-------------------------|
| <b>030123-00313</b>                                  |                         | <b>CFO</b>                                |                            | <b>00052834</b>              |                         |
| ORDER TO<br><b>SELL</b><br>TIME ENTERED:<br>13:17:03 | QUANTITY<br><b>1000</b> | SECURITY<br><b>SEDONA SFTWR SOLNS INC</b> | ORDER PRICE<br><b>9.30</b> | GOOD TILL<br><b>01/23/03</b> | DAY<br><b>X</b><br>OPEN |
| CLIENT<br><b>INDUSTRIAS BALM</b>                     |                         |                                           | NEW ACCT.                  | SLS CODE<br><b>SSSI</b>      | CFO<br><b>X</b>         |

|                                      |                     |                               |             |                          |                         |                     |                   |                     |                                |
|--------------------------------------|---------------------|-------------------------------|-------------|--------------------------|-------------------------|---------------------|-------------------|---------------------|--------------------------------|
| ENTR/IDITY/AUTHOR<br><b>vtrrxw /</b> |                     | ACCOUNT<br><b>31F-465F-5</b>  |             | IR<br><b>VRRW</b>        | QUANTITY<br><b>1000</b> | PRICE<br><b>9.3</b> | CLERK<br>NR       | BALANCE<br><b>0</b> | TIME RET PD<br><b>01/23/03</b> |
| <b>(A)</b>                           | MARKET<br><b>UU</b> | COMMISSION<br><b>0.00</b>     |             | UNIT                     |                         |                     |                   |                     |                                |
|                                      | MARKET<br><b>P</b>  | INV TRANSFER FUEL<br><b>0</b> |             | INV ACCT                 |                         |                     |                   |                     |                                |
| EXCHANGE RATE<br><b>0.00</b>         |                     | VALUE DATE<br>M D             |             | OPTION CODE<br><b>NO</b> | HM                      | OS/OSC              |                   |                     |                                |
| IF AS<br>A WHEN                      | SHORT<br>RATE       | EX<br>DIV                     | FOR<br>SYND | CON<br>FLCT              | INT<br>PLAT             | ERT                 | TRAIL<br>CHARGE   |                     |                                |
| <b>12</b>                            | <b>0</b>            | <b>3</b>                      | <b>4</b>    | <b>7</b>                 | <b>8</b>                | <b>9</b>            | <b>KP TRAILER</b> |                     |                                |

|                    |  |                              |                   |                    |                 |               |     |    |    |         |              |
|--------------------|--|------------------------------|-------------------|--------------------|-----------------|---------------|-----|----|----|---------|--------------|
| <b>BROKER SIDE</b> |  | ACCOUNT<br><b>107-493D-5</b> | IR<br><b>VUUT</b> | TR<br><b>(T) N</b> | SPLIT ON PREFIG | EXCHANGE RATE | TAX | HM | OS | TRAILER | TRAIL CHARGE |
| <b>KP TRAILER</b>  |  |                              |                   |                    |                 |               |     |    |    |         |              |

|                   |                       |                            |                           |                       |                           |                |                          |                         |
|-------------------|-----------------------|----------------------------|---------------------------|-----------------------|---------------------------|----------------|--------------------------|-------------------------|
| <b>PREFIGURED</b> |                       |                            |                           |                       |                           |                |                          |                         |
| Client            | CHARGE<br><b>0.00</b> | ACCRUED INT<br><b>0.00</b> | COMMISSION<br><b>0.00</b> | NY TAX<br><b>0.00</b> | TICKET CHG<br><b>0.00</b> | OTHER TAX TYPE | OTHER TAX<br><b>0.00</b> | EXCHANGE<br><b>0.00</b> |
| Broker            | CHARGE                | ACCRUED INT                | COMMISSION                | NY TAX                | TICKET CHG                | OTHER TAX TYPE | OTHER TAX                | EXCHANGE                |

|                         |
|-------------------------|
| <b>OPERATIONS NOTES</b> |
| <b>ADDED TO 318 OKM</b> |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ORDER NOTES</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 01/23/03 06:50:24 ORDER CREATED<br>01/23/03 06:50:24 NEW ORDER SENT TO BRSS DATE:01/23/03<br>01/23/03 06:50:26 # 313 ON 01/23/03 ACKNOWLEDGED BY ATS<br>01/23/03 07:05:28 CFO PRICE CHANGED FROM 9.50 TO 9.30<br>01/23/03 07:05:28 REPLACEMENT ORDER SENT TO BRSS DATE:01/23/03<br>01/23/03 07:05:30 CFO # 313 ON 01/23/03 ACKNOWLEDGED BY ATS<br>01/23/03 07:06:18 FILL RECEIVED: 1000 @ 9.30 LEAVING 0<br>01/23/03 13:00:22 Commission changed from TO 0.00<br>01/23/03 13:00:22 Operations Note added: ADDED TO 318<br>01/23/03 13:00:22 POST EXECUTION APPROVAL REQUIRED - Prefigured Commission<br>01/23/03 13:16:46 Surcharge Fee status from yes to no<br>01/23/03 13:16:46 ORDER CHANGED<br>01/23/03 13:16:46 POST EXECUTION APPROVAL REQUIRED - Prefigured Commission<br>01/23/03 13:17:03 Surcharge Fee status from no to yes<br>01/23/03 13:17:03 Operations Notes changed from ADDED TO 318 to ADDED TO 318 OKM<br>01/23/03 13:17:03 ORDER CHANGED<br>01/23/03 13:17:03 POST EXECUTION APPROVAL REQUIRED - Prefigured Commission<br>01/23/03 13:17:07 POST-EXECUTION QUICK APPROVAL |

**ORDER NOTES**

01/23/03 16:00:15 ORDER CONTRACTED

01/23/03 16:00:15 FORCED CONTRACTING WITHOUT REQUIRED APPROVAL OR RUNNING TIC  
CONTRACTED

01/23/03 17:00:42 ORDER ARCHIVED

# **EXHIBIT C**

TO WHOM IT MAY CONCERN

DEAR SIRS

ORDER ENTRY

UPON RECEIVING CLIENT ORDERS  
FOR US EQUITIES I ENTER THE ORDERS  
ON OUR COMPUTERIZED OMS SYSTEM.

THEY ARE THEN ELECTRONICALLY SENT TO  
BRS WHICH IS A ROUTING SYSTEM.

THEY ARE EITHER AUTOMATICALLY ROUTED

OR OUR US DFSK ROUTES THEM TO

THE MOST APPROPRIATE BROKER IN THAT

PARTICULAR STOCK THE CLIENT HAS

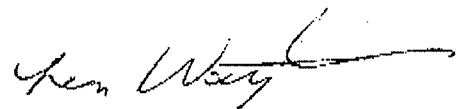
NO CONTROL NOR DO I AS TO WHERE

THE ORDER IS ROUTED OR TO WHERE

THE STOCK IS TRADED

RON WARRINGTON

CANACCORD CAPITAL



WW000013